THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) The aggregate deposits of Scheduled Commercial Banks increased by 8.5 per cent in the year 1987 (upto 17-7-1987) as against growth of 10.0 per cent and 10.8 per cent in the corresponding period of 1986 and 1985. The growth of deposits during the current year is regarded as quite satisfactory and year to year minor variations are considered to be the normal pattern of deposit growth which mainly depends upon factors like rate of growth of economy, the growth of reserve money and relative attractiveness of other instruments of savings. Commercial Banks are continually introducing various types of innovative schemes to increase their deposit mobilisation subject to the provisions of the interest rate structure detailed in Reserve Bank of India's directives.

Subsidies proving counter productive

3046. SHRI SURESH PACHOURI: Will the Miinster of FINANCE be pleased to state:

(a) whether it is a fact that heavy subsidies direct and indirect are proving counter productive and if so, what remedial steps are possible;

(b) what are the dimensions of subsidies such as in the case of food, fertilisers, Pesticides, seeds etc.;

(c) what are the subsides in respect of differential rates of interests;

(d) what are the details of various export subsidies; and

(e) whether instead of such subsidies, reductions can be given in the income tax structure?

THE MINISTER OF STATE IN THE DEPARTMENT OF EXPENDITURE IN THE MINISTRY OF FINANCE (SHRI B.K. GADHVI): (a) Subsidies are reviewed from time to time by the Government and remedial action, if any needed, is also initiated.

(b) and (c) Estimated expenditure of the Central Government on account of subsidies in food and fertilisers, in the current year, as shown in the Budget documents for 1987-88 is as follows:

	BE 1987-88 (Rs. Crores)
Food Subsidy	2000
Fertilisers subsidies	1910
of which	
Indigenous fertilisers	1750
Imported fertilisers	160

Information in respect of pesticides, seeds and interest differentials is being collected.

(d) The details of the export subsidies provided in the Budget for 1987-88 are as follows:

	(Rs. Crores)
(i) Product promotion and commodity	800
(ii) Assistance to export promotion and market development organisation	15
(iii) Export credit development	55
TOTAL :	870

(e) This suggestion is not feasible of acceptance.

Bank Loan recovery

3047. SHRI SURESH PACHOURI: Will the Minister of FINANCE be pleased to state:

(a) whether Bank Loan recovery in some States like West Bengal has been poor and if so, details and reasons thereof;

(b) what is the State-wise loan recovery picture in the country and corrective steps proposed; and

(c) whether rates of interest will be made more attractive and almost nominal for weaker sections for specific gainful commercial projects in projects in order to improve chances of employment and quality of life?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI JANARDHAN POOJARI): (a) and (b) State-wise recovery position of Direct Agricultural Advances of Public Sector Banks as at the end of June 1985 is set out in the Statement. (*See* below) In the State of West Bengal the percentage of recovery of demand for direct Agricultural Advances was 33.9 per cent in respect of Public Sector Banks as compared to that of 54.2 per cent achieved at all-India level. Low level of recovery of advances in West Bengal is generally on account of poor recovery discipline, irregular supply of power and lack of effective supervision.

With a view to improving performance, the Reserve Bank of India has issued guidelines to the Banks for taking effective measures like strengthening of the organisational structure, adopting of schematic appraisal systems, post lending supervision and launching of recovery drives with the help of State Governments. Banks have also been advised to create separate 'Recovery Cell' for a cluster of nearby branches for continuous and effective supervision. Recovery position has also to be reviewed periodically by the Board of Directors of the Banks.

(c) The Rates of interest on bank loans have been kept low for the weaker sections, *i.e.* the rates of interest are 4 per cent for loans under Differential Rate of Interest Scheme, 10 per cent for special schemes like I.R.D.P., and S.E.P.U.P. etc. Since the interest rates for weaker sections are already low, further lowering of these rates, is not considered feasible for the present.

Statement

State-wise Recovery Position of Direct Agricultural Advances of Public Sector Banks

State/Region/Union Territory	Percentage of recovery to Demand (June, 1985)
I. NORTHERN REGION	60.9
Haryana	58.9
Himachal Pradesh	50·6
Jammu & Kashmir	43·1
Punjab	70·9
Rajasthan	48·2
Chandigarh	41·1
Delhi	39·9

State/Region/Union Territory	Percentage of recovery to Demand
II. NORTH-EASTERN REGION	**39.9**
Assam	33·2
Manipur	21·2
Meghalaya	55·7
Nagaland	44·4
Tripura	31·7
Arunachal Pradesh	51.0
Mizoram	51·9
Sikkim	11.6
III. EASTERN REGION	**37·9**
Bihar	37.6
Orissa	43.4
West Bengal	33·9
Andaman & Nicobar Islands	18·4
IV. CENTRAL REGION	**51·2**
Madhya Pradesh	44.0
Uttar Pradesh	54·3
V. WESTERN REGION	**47·3**
Gujarat	53.0
Maharashtra	44.0
Goa, Daman & Diu	41.8
Dadra & Nagar Haveli	29.0
VI. SOUTHERN REGION	**58·6**
Andhra Pradesh	57.4
Karnataka	50·4
Kerala	62·9
Tamil Nadu	62·9
Lakshdaweep	63.8
Pondicherry	54·0
ALL-INDIA	54·2